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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/806,907	04/06/2001	Francois Grieu	677-22	7719

7590 07/17/2002

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EXAMINER	
TAYLOR, LARRY D	

ART UNIT	PAPER NUMBER
2876	

DATE MAILED: 07/17/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/806,907	GRIEU ET AL.	
	Examiner	Art Unit	
	Larry D Taylor	2876	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *06 April 2001* .

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-16* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-16* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☒ All b)☐ Some * c)☐ None of:

1.☒ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) *4* .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

DETAILED ACTION

Receipt of Pre-Amendment

1. Receipt is acknowledged of the pre-amendment filed 6 April 2001.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1, 2, 5, and 6 are rejected under 35 U.S.C. 102(b) as being anticipated by Feiken (US 5,635,695).

Feiken teaches a method for interchanging data between memory on a smart card and an automatic machine, the machine pertaining to devices that receive payment in exchange for goods or services (see background of invention). In operation, a user inputs the card within the machine, the machine causes an account on the card is debited if a flag on the card exhibits a ratified "1" state. If the machine reads the card as having been previously debited, then the flag on the card exhibits a non-ratified "0" state, and the good or service may be delivered or performed. After delivery or performance, the flag is reset to flag to "1". The putting of the flag into the non-ratified state is an indivisible process (see col. 1, line 63 – col. 2, line 1).

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

5. Claims 3 and 9-11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Feiken, in view of Cheung (US 6,062,472).

The teachings of Feiken have been discussed above. However, Feiken fails to teach the debiting of the card or delivery of the goods or services as dependent upon an expiry of a time delay.

Cheung teaches a system for restoring a transaction in response to an interruption of the transaction. If a transaction between card 2 and card-reading device 1 is interrupted, the system attempts to recover the transaction. The device checks the card to see if a restore record flag is set. If not, authorization is requested to restore the transaction to the card. If authorization is not met before a time delay expires, no money is deducted from the card, thereby ending the transaction and preventing any service from occurring (see figure 1, 3, col. 5, lines 27+).

It would have been obvious to provide the time delay/expiry feature with the card and machine of Feiken, as it decreases the amount of time a system's transaction is "in limbo", thereby decreasing the chance of unauthorized tampering and theft of secure transaction data or funds. The expiration of time would more likely denote that transaction is questionable in status, and therefore needs to be terminated to ensure security.

6. Claims 4 and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Feiken.

The teachings of Feiken have been discussed above.

However, Feiken fails to teach a condition debiting of the card subordinate to the machine performing the transaction belonging to a group to which the machine that performed the previous transaction also belongs. This concept is notoriously well known in the art as it falls in line with, for example, a particular ATM card, wielding a specific credit union symbol, only to be used at a machine designated by that credit union. It is known in the industry for card manufacturers to create machines that only operate with certain cards, the cards only able to operate with the machine when the machine passes a criterion of being manufactured specifically for that card. This concept is also known with cards used for particular vending machines, per say, at an exclusive company or business. Thus, it would have been an obvious expedient to include this conditional feature with the transaction practices of Feiken.

Feiken also fails to teach memory within the card as recording the type of good and service being delivered during the transaction. Smart cards in the industry have the luxury of this type of information, as they are evident when one obtains financial statements regarding one's account. Specifically, it is well known in the art that memory within the cards does record such data, as when an account holder or financial institution teller accesses the account electronically at a terminal, the holder or teller sees transaction information recorded on the card, the information revealing the time, date, cost, and type of good or service purchased. Thus, it would have been obvious to add this set of data within memory on the card of Feiken.

7. Claims 7, 8, and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Feiken, in view of Feiken (US 6,070,795, hereafter Feiken '795).

The teachings of Feiken have been discussed above. However, Feiken fails to teach

information as exchanged by the card and machine as being previously encrypted by means incorporated both in the card and machine.

Feiken '795 teaches a method of recovering smart card transactions with a reading device. Upon knowledge of an interruption of a transaction, the card 1 and terminal 2 exchange codes and commands regarding restoring funds to the card and terminal, the codes, commands, and funds data encrypted by means within the card (see figure 2, steps 10 and 16) and security module SM in the terminal.

It would have been obvious to one of ordinary skill in the art to provide cryptographical means within both the card and machine of Feiken, as it helps ensure that transaction data is not lost to unauthorized persons during transaction recovery. Cryptographical means are notoriously well known in the art to be used as means for securing financial transactions between cards and card readers.

8. Claims 13-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Feiken, in view of Everett et al. (US 5,982,293).

The teachings of Feiken have been discussed above. However, Fieken fails to teach the counting of occasions the flag is read in a non-ratified state, providing a threshold at which delivering of goods or services is inhibited.

Everett teaches a system for recovering a transaction between a smart card and interface device. The device, upon trying to recover an amount of funds debited from the card to the device before an interruption in transaction, sends a request to the card, hoping to recover a message from the card (this state corresponds to a non-ratified "0" state as purposed in the teachings of Feiken). This sequence is counted and repeated a predetermined number of times,

stopping after no success (col. 6, line 54 – col. 7, line 16). This counted number may result in the stoppage of payment, and effectively, the preventing of goods or services from being delivered.

It would have been obvious to one of ordinary skill in the art to provide such a means of Everett. A limit to the number of attempts to recover the funds are synonymous with the above limitations of an expired time delay, as it would also provide secure means of preventing unauthorized persons from accessing secure transaction data or funds. Too many attempts at recovering funds from the card may denote to the system the high likelihood of illegal obtaining of goods or services provided by the system. Also, a high number of attempts may also denote that the card is no longer acceptable by the system, as a result of the interruption, therefore halting transactions alleviates the problem quickly.

Conclusion

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. See Tsukui (JP 58019978 A).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Larry D Taylor whose telephone number is (703) 306-5867. The examiner can normally be reached on M-F (8:30 - 5:00).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee can be reached on (703) 305-3503. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 746-4784 for regular communications and (703) 308-7722 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-0956.

Larry D Taylor
July 15, 2002

MICHAEL G. LEE
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2800